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MONTHLY NOTES

FARM MANAGEMENT AND FARM ECONOMICS

April 1, 1922.

DURING THE MONTH past, conditions have shown more improvement than in fifteen months preceding.

Prices of grain, hogs, and cotton have held a good share of their gains. The Far West once more revives a perennial hope in sheep and cattle.

The East, however, is beginning to worry a little at sagging prices of dairy products and potatoes.

Stocks of grain on farms are lower than last year.

The close balance in world wheat supply and demand leaves possibilities of strong wheat prices before the new crop.

Business in general is more active, in spite of textile strikes and the threatened coal strike. Railroad car loadings have steadily increased.

Farm plans are said to look like a bigger cotton acreage; corn, wheat and potatoes about the same; considerably more pigs; more poultry.

PRICE INDEXES FOR MONTH ENDING MARCH 1 are given below. Farm products from Department of Agriculture; commodity groups from Bureau of Labor Statistics. The figures are all relative to the year 1913, which is taken as the base or 100:

<u>Farm Products</u>			<u>Commodity Groups</u>		
(Prices at the farm)			(Wholesale prices)		
	<u>Jan.</u>	<u>Feb.</u>		<u>Jan.</u>	<u>Feb.</u>
Cotton	125	127	Farm products	116	126
Corn	77	92	Food, etc.	134	138
Wheat	124	149	Cloths & clothing	183	183
Hay	103	107	Fuel & lighting	183	183
Potatoes	179	183	Metals & met. products	117	115
Beef cattle	81	86	Building materials	202	202
Hogs	93	110	Chemicals, etc.	159	159
Eggs	164	132	House-furnishing goods	214	213
Butter	127	128	<u>All commodities</u>	148	151
Wool	108	132			

THE TREND OF PRICES up to March 1 showed some genuine signs of stabilization. That is, some products at the bottom of the list like corn, hogs, and beef cattle, came up a trifle more in line with other basic things. It is significant how commodities like furniture, building materials, fuel, clothing, and so on, resist the downward pressure. Which is another way of saying that organized labor and organized industry will take almost unlimited punishment in the form of unemployment and business stagnation before they will accept wage or price reductions.

If this unyielding persists on the part of important manufactured products, we may look for further rise in prices of farm products. These fundamental price relationships are not going to stay out of line indefinitely any more than it is going to be winter indefinitely.

In connection with the advance in grain, hogs, and cattle, it is not a little interesting to note the many explanations therefor. We are also impressed of how little anybody really knows what individual prices are going to do next. After absorbing all the talk regarding boards, corporations, politicians, exchange rates, freight rates, shipping, speculation, marketing, credit, profiteers, Wall Street, propaganda, and sun-spots, - we personally still cling to an old-fashioned notion that demand as related to supply is a good thing to keep an eye on when a man is about to bolt on the new plow-points.

MORE THINGS HAVE HAPPENED IN NEW ENGLAND than in most other sections. That is, they have been happening longer. New England has been over the top, agriculturally, and down the other side. And the place to study economic readjustments is where some of the same have taken place.

This Office is starting a general survey this month in cooperation with the Vermont State College Extension Service, which is to be carried on over a period of years. It should give an accurate cross-section of New England's dairy type of farming - which is her greatest bid for a stable farm business since the opening up of the West forced her to readjust.

AN ECONOMIC STUDY IN THE NORTHERN GREAT PLAINS AREA will also get under way this month. The economic problems of the Spring Wheat Country as well as the Range Country farther west are being studied from several angles. Messrs. Strait, Washburn, and Reynoldson of this Office are leaving for Montana in a few days in connection with this project, which will be carried out in cooperation with Montana State College of Agriculture.

RELATIVE PURCHASING POWER
(At February 1922 Farm Prices)

1913 = 100

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	84	61	99	71	121
Cloths, etc.	69	50	81	58	100
Fuel, etc.	69	50	81	58	100
Metals, etc.	110	80	130	93	159
Bldg. material	63	46	74	53	91
House-furnishing goods	60	43	70	50	86

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	57	73	87	85	87
Cloths, etc.	47	60	72	70	72
Fuel, etc.	47	60	72	70	72
Metals, etc.	75	96	115	111	115
Bldg. material	43	55	66	64	66
House-furnishing goods	40	52	62	60	62

THE TREND OF PURCHASING POWER during February continued upward for the West, speaking roughly. The Corn Belt, The Wheat Belt, and the range country all felt the stimulation of better prices for grain, livestock, and wool. Eastern products eased off a trifle in purchasing power, as did cotton one point. Farm products as a whole had a purchasing power for February of 83, as against 78 the month before - which is one of the biggest jumps in five years.

MOVEMENT OF POPULATION FROM FARMS in New York State has practically ceased this year. Dr. Warren's annual investigation shows that during last year 17,000 men and boys left the farms to go into other industries, while 14,000 who had been working in other industries moved back to the farms. The net loss from farms was about one-eighth that in both 1920 and 1919. Lack of opportunity in industry is looked upon as the chief reason back of this.

AS TO APPLES: considerable discussion has gone the rounds over the census disclosure that number of bearing trees decreased 36,000,000 in the ten years since 1900, and trees not bearing ditto nearly 30,000,000.

It appears that the apple tree shrinkage has taken place chiefly in the Ozark Region (13 million less in Missouri and Arkansas), and among the farm orchards of the East and Central West. The commercial regions like the Pacific States, New Jersey, Maryland and Virginia, have more trees. The commercial apple crop is about as big as ever.

The well informed fruit men here in the Department say that conservative planting of orchards is good policy now. That is, always provided a man knows something about apple growing and is favorably situated as to region, land, etc.

They lay some stress on "region", in view of the present freight rate conditions. The freight rate on apples per 100 lbs. from Western New York to New York City is 31½¢. From the Virginia districts to Philadelphia it is 40½¢. From Hood River and Wenatchee to New York or Philadelphia it is \$1.67. Eastern growers made money last year selling their apples at an f. o. b. price less than the freight rate alone from the Pacific coast.

TO HAVE AND TO HOLD. That is the thing that interests us all - labor, business, farmers, everybody. To pull ahead a few lengths and then to consolidate the gains - that is, in fact, civilization.

Agriculture made some gains during the past eight years. It may be that the problem now is to hold them through a possible period of harder times.

I have been interested to talk with Dr. C. J. Galpin of this Office along this line. Dr. Galpin is perhaps one of the best informed observers in the United States relative to the social aspects in rural affairs. He speaks of the disposition among county and state legislators to cut down appropriations for schools, and to cut out appropriations for county nurses, county health and sanitation. He seems to feel that, while everyone wants taxes cut to the reasonable limit, yet movements are on foot which may cost us serious set-backs. Rural advancement has been too long a time coming and too much of a struggle to allow much slipping back, if it can be helped. Perhaps it is of some importance to keep an eye on matters so vital as education. The gains - once real gains have been made must be held.

TWO OR THREE WEEKS AGO WE ASKED DR. HIBBARD, head of the Department of Agricultural Economics at Wisconsin, for a short statement on the general agricultural situation and outlook this spring. Although this statement was written before the recent shifts in prices of grain and hogs, it is too much to the point not to be passed along.

THE AGRICULTURAL SITUATION

B. H. Hibbard

"With the farmers' purchasing power during six months preceding February, 1922, about two-thirds of what it was in 1913 there is every reason to ask what of the future. Many farmers are bankrupt, and a much larger number are unable to meet their obligations. It is not strange that this desperate situation has brought out a considerable list of remedies. There have been attempts to enlist the direct aid of the government in some measure of relief. Other plans involve action by the farmers themselves. A third plan, if plan it can be called, is that of awaiting the natural and inevitable readjustment through which the balance must be restored.

"The first plan, that of direct government aid, appeals strongly to a few people who believe that the government is all-powerful and can perform wonders in the economic world. Those with feelings of an opposite character, with almost a fatalistic doctrine, are willing to await the passage of time, which will, in one way or another, heal all sorts of wounds. Between these two extremes are those with faith in both time and government but who believe the most active agency should be the farmers' own organized effort.

"Something is coming from each of these means. The government is lending significant encouragement and help in credit and in legislation concerning marketing. It remains for someone of statesmanlike proportions to bring order out of the railroad chaos and so shorten the distance from farm to market by a quarter or a third. The efforts of farmers' organizations promise significant savings in marketing costs.

"Best of all the situation is changing greatly for the better without any conscious effort on the part of any organization. We have talked about a hopeless surplus of corn and the ruinously low price, yet right now corn is worth 70 or 80 cents, and possibly a dollar, fed to hogs. It is worth 60 or 70 cents used as dairy feed. These prices will not make the farmer wealthy, but they mean recovery from the deplorable condition of the last few months. Wheat is not high, but it has reached a figure which means ability of the farmer to meet some of his obligations. Dairy products are not promising much in the way of high prices, but on the other hand, the depression in dairying has not been so bad as in most other kinds of farming.

"Looking ahead for a period of years the prospects in farming are decidedly good. The people are going to want food, and the farmers will soon be producing nothing more than normal amounts. With intelligent means of marketing, and improved transportation facilities the share of the consumer's dollar going to the farmer will soon be as high as ever."

Cost of producing hogs and beef cattle is being studied by this Office on a group of farms in the heart of the Corn Belt. Mr. R. D. Jennings has just returned from an inspection of 53 of these farms and gives below a little summary of Corn Belt outlook. It may be taken as a rather accurate slant thereon.

SOME RECENT OBSERVATIONS OF CONDITIONS IN A CORN-BELT LIVESTOCK AREA

R. D. Jennings.

"A survey of the farm business from March 1, 1921 to March 1, 1922 on 53 farms in West Central Illinois (Warren County) and South East Iowa (Henry County) on which a study of the cost of producing pork was carried on during the last year has just been completed. These areas are representative of good corn belt livestock sections where pork production is a major enterprise.

"The farms of these areas are very well improved. Farms sold this spring on forced sale brought \$250-300 an acre. About a third of these farmers are tenants and about one-half of the farmers owning land, rent additional land. The size of the farms operated ranged from 60 to 600 acres, most of them being from 120 to 200 acres in size. In other words they are mostly one man farms with four to six months hired help during the summer. A representative 160 acre farm had 70 acres in corn, 30 acres in oats, 16 acres in hay, and 44 acres in pasture last season. Only 10 per cent of the farms raised any wheat last year. Considerable corn is shelled and sold. Hogs are an important enterprise, the average farm keeping about 20 sows. Some stock cattle are kept and some steers are bought to feed out. More feeding was done this winter than during the past two years.

"Some general observations of the attitude of these farmers to the coming season may be of interest. Somewhat more corn is being held for feed than a year ago. The amount sold will depend of course on the price of corn, the pig crop this spring, and the prospects for the new crop during the summer. A significant fact, however, is that about 15 per cent more brood sows and gilts have been bred for the spring pig crop than a year ago. It was too early to get a line on the pig crop as only a few sows had farrowed. Nearly all the farms had some fall pigs but there were few stock hogs on the farms March 1. No specific inquiry was made as to the corn acreage to be planted this spring, but no tendency toward a reduced acreage or an increase in the acreage was observed.

"Notwithstanding the fact that only about ten of these farmers had sold any hogs during the recent rise in the market or had any on hand March 1 ready to ship, the influence of the advance in price of corn and hogs was very noticeable in the attitude which the farmer is taking towards the year that is before him. There is a noticeable feeling of optimism among these men. They feel that they have turned the corner and have a better year ahead of them. An interest in cutting their cost of producing pork was evident in the study that they gave to our figures on the costs on the different farms."

MORE HOGS (BREEDING STOCK) IN MISSOURI. "The usual conditions will follow in Missouri as other places. With hogs at a fair price naturally breeding stock will be pushed this spring with a result of an over supply of stock with the resulting cycle of supply and demand. Money conditions are still acute in Missouri, especially south of the Missouri River."

John Sheay.

MORE SOWS BRED IN ILLINOIS. "The consistent strength which the price of hogs has shown, has universally made hog feeding popular. Most every farmer who had sows or could obtain females of breeding age, has bred them for spring litters. At the bred sow sales held in the state during the winter, bidding has been brisk and good sale averages have been made. Some experienced hog men however, predict a break in the price of hogs next fall, when these big spring litters are put on the market, and there seems to be a disposition right now on the part of most of them, "to get while the getting is good."

"In view of the strength shown in the price of livestock products, it does not appear now that there will be much shifting in the cropping enterprises in those sections of the state where livestock enterprises predominate; namely - in the dairy district in Northern Illinois; mixed farming region in Western Illinois; and in the whole milk district around St. Louis in Southern Illinois. In these sections the farmers will likely grow about the same crops and in about the same proportions that they have been growing. In these sections they have rather definite systems of farming established already. Their farms are equipped with buildings and machinery necessary to carry through the system and there is not much likelihood of many radical changes being made. The acreage seeded to legume crops will likely increase somewhat. This increased acreage will come about through a slight reduction in corn acreage in some cases, and in replacement of part of the oats crop with soy beans and cow peas.

"In the northern part of the state the acreage in spring wheat may likewise be slightly increased. In the livestock region the increase in legume acreage will be stimulated largely through a desire on the part of most every one, to cut down operating expenses and bolster up the fertility reserve, and likewise to cheapen livestock production through the use of cheap legume forages.

"In East Central Illinois in the corn belt proper, the situation is a little different but not materially so. Here, where grain farming is the predominating type, it appears that the acreage of corn and oats will be cut somewhat. The acreage thus reduced will be replaced by some legume. There was probably an increase in the winter wheat acreage last fall in this state, and that too will bring about a percentage decrease in the corn acreage. Likewise, most of this winter grain will be seeded down this spring, consequently the legume acreage will be increased by that much. Farmers having good rotation pastures that have run for one year or more are not plowing them up if they give any promise of worth for pasture for the coming year. Just how much the corn acreage is being reduced through organized effort it is difficult to state, but men who are informed seem to think that for the state as a whole there will not be more than a 5% reduction in the corn acreage. I don't think it

will be over this, and very probably under. The reduced grain acreage will be largely replaced by annual legumes, like soy beans and cow peas. Soy beans is attaining considerable popularity in all sections of the state for use as hay, seed, green manure crop or for hogging. There also appears at this time to be a possible market for some of the seed for commercial uses. Staley at Decatur, and one or two other plants have announced their intention of taking over quite a large per cent of the supply for their oil content, etc.

"We have experienced a very mild winter in Illinois this year and there has been some complaint, especially in the southern part of the state, of damage to winter grain that is seeded. The alternate freezing and thawing has lifted some of it out of the ground. I do not think, however, that this damage is sufficiently great to cause much loss in the wheat crop. However, in the cases where the wheat is damaged enough to make it unprofitable to leave it, it appears that this acreage would be put into cow peas or soy beans or into corn or oats."

F. F. Elliott.

MORE COTTON, HOGS, TOMATOES IN TEXAS. "It seems probable to me that the cotton acreage will be increased considerably over last year, but I do not think it will be as large as it was the year before. Although, the price was fairly satisfactory the farmers almost universally lost money on the crop due to the small yield per acre. It seems probable that there will be a large increase in hogs this year, due to the fact of the liberal ratio between hogs and corn and grain sorghum prices in West Texas. At the present farmers are getting about 50 per cent more for their corn and grain sorghum when marketed through hogs, than they would have received if they had marketed it as grain.

"The tomato acreage in East Texas will be about 25 per cent increased over last year, due to the fact that the Tomato Growers Exchange functioned admirably its first year, which was last year. The tomato growers tell me that they are convinced that if there is any money in tomato crops they will get it themselves and will not have to bother individually with cash buyers.

"Credit seems to be easing off among the cattle men. They are not being pressed so hard to make payments, and are being able to negotiate new loans. The farmers seem to think that the worst is over and hope is increasing in proportion to increasing prices of the various commodities. Farm labor is now at a pre-war rate and there is plenty of it."

M. M. Daugherty.

POSSIBLY MORE DAIRYING AND ALFALFA IN MICHIGAN. "We are a diversified State and it is my feeling in general that there will be no appreciable change in the farming system as a result of economic conditions. There is a growing sentiment to increase dairying and the acreage of alfalfa in the State and slightly to cut down potato acreage."

H. B. Killough.

DAIRY AND POULTRY MEN OPTIMISTIC IN NEW YORK. "Farmers are not planning to curtail or increase the crops that have commonly been the leaders.

"There will be planted about the usual acreage of the leading cash crops and of the leading feeding crops.

"Up to the present time livestock has probably been increasing somewhat. This perhaps is not so much an increase as a holding over of stock that is usually disposed of in the fall - the result of the very low prices for "canners and bolognas." The dairy regions which increased their herds substantially during the war are on the decrease somewhat now. The chief dairy sections however, have considerable confidence in the future of their business and will probably keep as much stock as ever this summer. There is a great deal of interest in poultry and apparently a considerable tendency to increase flocks on the strength of the good egg market for the past few months.

"I believe that New York State farmers, as a whole, are feeling optimistic. Many of our products are selling for good prices. Labor is more plentiful and a little cheaper. Fertilizer is a little cheaper. The big exceptions to this are the regions where hay is the chief source of income. We had a short crop of hay with a low price. The hay growers are feeling discouraged and very uncertain about their markets for the coming years."

C. E. Ladd.

MILK AND CASH CROP SITUATION NOT VERY GOOD IN MASSACHUSETTS. "The farmers of Massachusetts have been very slow in formulating their plans for this spring's work. This has been due largely to the uncertainty of the fertilizer market and also to the big upheaval in market milk conditions.

"The farmers of this state are heavy users of commercial fertilizers and prices quoted at the beginning of the season were proportionately very high. Consequently our farmers delayed placing their orders. In the Connecticut Valley where the farmers specialized largely in tobacco and onions, the outlook is very unsatisfactory. The tobacco market for the last two years has been very poor. Some farmers are still carrying two years tobacco and others have been forced to sell at a price far below the cost of production to meet last year's fertilizer bill. One agent alone reported that he had \$180,000 in outstanding bills. The banks have been fairly liberal in carrying the farmers over this critical period but in some cases they are hesitant at assuming new obligations. Onions have sold at a fairly high price during the season but most of the increase in price has been taken up by the speculators and warehouse men and has not reached back to the farmer. Yield was practically one-half normal and consequently this crop did not make up to any great extent, the loss on tobacco. Naturally the farmers are considering seriously their plans for the coming season.

"Connecticut Valley land is too valuable to grow many other crops than tobacco and onions and consequently there will be not much change in acreage although some decrease in tobacco acreage is contemplated. If 1922 is not a successful year, farmers in this section will be left in rather a bad financial state.

"The dairymen of the state have been meeting more or less difficulty in marketing their milk. A big surplus, due to an increase in the number of cows and competition from cooperative creameries in Northern Vermont, has made the markets very unsatisfactory. Many milk dealers have failed to keep up their barns and are back two, three, and sometimes, four months with their milk checks. This means that the dairymen have to be conservative in making their financial plans. A low price for dairy cows has restricted either the decrease or the exchange of cattle and probably many of the farmers will carry over their stock mainly on pasture with a low purchase feed expense this summer. Many markets are considering formation of cooperative milk plants because the farmers appreciate that with a poor milk market their business is greatly hampered. Probably by next fall there will be some decrease in the number of dairy cows unless market conditions greatly improve."

A. F. MacDougall.

PROBABLY MORE BREEDING STOCK AND ALFALFA IN MONTANA. "Montana agriculture naturally divides itself into three types; general irrigated farming, dry land grain farming, and livestock ranching. So far as I am able to learn there will not be much change in the cropping plans of the general irrigated farmer. There is a tendency however, for him to increase his alfalfa acreage and get back to the normal proportion of alfalfa obtained prior to the war but which was cut down in increasing the acreage of small grains and beets.

"With the dry land grain farms conditions vary, depending upon the sections. In some districts there has been almost a continuous drouth for the last five years and this coupled with low prices is forcing considerable marginal land out of cultivation. Other reduction in the dry land wheat acreage is taking place because of the lack of credit. Just what the reduction in wheat acreage will be is hard to estimate but without doubt will be quite perceptible. No virgin lands will be broken this coming year consequently the flax acreage will be very small. Tractors are going out of use except on the best managed, most favorably located farms.

"With the livestock ranchers there undoubtedly will be an increase in breeding sheep and breeding cattle. If beef prices this fall are fairly satisfactory cattlemen will unload a lot of three and four year old steers which would have been marketed last fall, or in some cases a year ago, but were held over awaiting higher prices. If this stock is marketed the total stock population of the state will show a decrease but on the other hand this should not be interpreted as meaning a decrease in breeding stock. Hogs are coming back in the irrigated sections. There is almost no activity in horse breeding."

M. L. Wilson.

A TERSE SUMMARY FROM CALIFORNIA. "In the Imperial Valley, the farmers are just barely recuperating from their plunge into cotton during the war time. They are gradually working back into alfalfa and the dairy business. It is expected that during this year quite large areas will be planted to grapes and grape fruit. Due to the excessive amount of tenant farming in the Imperial Valley, we find a rather unstable economic situation there and most of the farmers do not plan ahead very far. It is estimated that the average number of years that a farmer and his family remain in the Imperial Valley is three years.

"In the citrus belt of Los Angeles, Riverside, San Bernadino and Orange counties, we find a rather disturbed situation at the present time due to the very severe freeze that they had in January. The lemon trees were so badly frozen that it will be necessary to pull up a large number of the trees. The orange crop for this year was about a seventy-five per cent loss and the crops for 1923 will be affected by the freeze. The sugar beet growers of the same counties will decrease their plantings very materially this year. The growers will also decrease their planting of corn, particularly Egyptian.

"In the San Joaquin and Sacramento Valleys, the tendency is toward increased plantings of grapes and the amount of general farming is comparatively small. There is a marked tendency on the part of the hog growers to increase the number of breed sows.

"Speaking of conditions in general, there is a tendency for the farmers to be somewhat pessimistic but I feel that conditions in this State are as good if not better, than in most of the States. Most of the cash crops in this State may be termed, fruit crops."

R. V. Wright.

MORE LIVE STOCK IN WASHINGTON. "Live stock in the state is increasing rapidly. This is because butter fat has been at a very good price throughout the year; while hogs and beef cattle are high enough now to make them profitable on our farms. With the recent rise in the price of wheat many farmers will continue in the irrigated sections to grow considerable of that crop. Our farmers are very optimistic of the coming year."

R. N. Miller.

Date: 5/1, 1922

Mimeographed: 400 Copies.

MONTHLY NOTES

FARM MANAGEMENT AND FARM ECONOMICS

Stencils cut by Farm Management

May 1, 1922.

DURING THE MONTH past, the North and East have more or less marked time, waiting for the weather to warm up and the land to dry off.

The South has put in unusually large acreages of potatoes, melons, and truck crops in general. There is more than a little tendency in some old cotton sections to yield the flag temporarily to the boll weevil and plant potatoes or other cash crops in place of cotton.

A million and a quarter more breeding sows in the country than a year ago, according to the April 1 estimate. This is an 11% increase in one year. Somebody may have to develop an appetite for pork next fall.

The cold storage report of April 1 showed that we were rather low on butter and cheese; fairly high on eggs; low on pork, and decidedly low on beef. Total meat was 717 million pounds against 1,107 million last year and 1,221 million for five year average.

The wheat situation is a sensitively balanced one. Some well-informed men seem to think, however, that a crop scare is unlikely, and that the world will go through to the new crop with a little wheat to spare. It is only about a month to new wheat in this country.

PRICE INDEXES FOR MONTH ENDING APRIL 1 are given below. Farm products from Department of Agriculture; commodity groups from Bureau of Labor Statistics. The figures are all relative to the year 1913, which is taken as the base or 100:

<u>Farm Products</u>			<u>Commodity Groups</u>		
(Prices at the Farm)			(Wholesale prices)		
	Feb.	Mar.		Feb.	Mar.
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Wheat	149	149	Cloths & clothing	183	182
Hay	107	112	Fuel & lighting	183	183
Potatoes	183	177	Metals & met. products	115	114
Beef cattle	86	93	Bldg. materials	202	202
Hogs	110	121	Chemicals, etc.	159	159
Eggs	132	103	House-furnishing goods	213	213
Butter	128	128	<u>All commodities</u>	151	152
Wool	132	150			

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(At March 1922 Farm Prices)

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Of a Unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	85	63	98	74	116
Cloths, etc.	71	53	82	62	97
Fuel, etc.	70	52	81	61	97
Metals, etc.	124	84	131	98	155
Bldg. material	64	47	74	55	88
House-furnishing goods	61	45	70	53	83

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	61	80	68	84	99
Cloths, etc.	51	67	57	70	82
Fuel, etc.	51	66	56	70	82
Metals, etc.	82	106	90	112	132
Bldg. material	46	60	51	63	74
House-furnishing goods	44	57	48	60	70

THE TREND OF PURCHASING POWER during March continued upward in the West, broadly speaking. Hogs made some strides toward their pre-war purchasing power. Wool jumped twelve points and is now back where we anticipate that the sheep man will presently find life worth living again.

There is a good deal of fiction about farmers' purchasing power as indicated by present prices. Wheat prices are fairly strong, but farmers have no wheat to sell. The same is true of cotton.. Things like corn or potatoes, of which there are still some on farms have not achieved any very overwhelming heights of buying power. Theoretically a man can market corn to advantage now in the form of pork. But the first essential in hog feeding is to have the hog. Corn belt farmers are holding back breeding stock from market and doing their best to produce a crop of pigs, wherewith to work the magic conversion. Next fall will be time enough to talk about the margin of profit between corn on the ear and corn on the hoof.

Farm products as a whole had a purchasing power of 57, against 61 in February, 56 in January. These are the index figures compiled by the Dept. of Agriculture, and are probably the most accurate index available showing the general purchasing power of farm products.

SIGNIFICANT MOVEMENT OF FARM PRODUCTS

Figures show corn, hogs, cattle receipts at primary markets; butter receipts at 5 markets; wheat (including flour) and cotton exports. All figures given to nearest thousand:

1922	CORN Receipts <u>Th. Bu.</u>	HOGS Receipts <u>Thousands</u>	CATTLE Receipts <u>Thousands</u>	BUTTER Receipts <u>Th. lbs.</u>	WHEAT Exports <u>Th. Bu.</u>	COTTON Exports <u>Th. Bales</u>
January	52,097	4,278	1,628	41,697	14,985	475
February	58,330	3,612	1,416	38,894	10,991	338
MARCH	31,035	3,411	1,622	44,912	14,371	461

THE TREND OF FARM PRODUCT MOVEMENT DURING MARCH as shown by the figures above, appeared to indicate:

Seasonal slowing down of corn.

Lighter hog receipts, which is also a seasonal occurrence. Probably partly due to holding back of breeding stock.

Same number cattle being marketed.

Seasonal increase in butter production.

Fairly heavy wheat exports.

Big jump in cotton exports over February.

THE REPORT OF THE JOINT COMMISSION of Agricultural Inquiry impresses us more, the more we use it. Part One on The Agricultural Crisis and Part Two on Credit have been issued for some time. Part three on Transportation will be issued about May 15.

In this Report, are all the facts and figures that picture the onward march of agriculture. Mr. Anderson's Commission has done for the field of agricultural economics what Mr. Aldrich did in an earlier day in the field of price statistics. In other words, it has assembled the basic data.

No economics man can afford to be without Part One, at least, of this "House Report No. 408."

THE RADIO is here with a bang'. It takes no exceptional intellect to grasp what this may mean to our farms as time goes on. It will not be long before every agricultural college will be equipped with broadcasting outfit. The receiving instrument can be made by any bright boy for a few dollars. A good receiver can already be bought complete for \$50 and upward. The air zones will be organized and news and other information will go out according to orderly schedule. Presently the radio will be as commonplace in the farmer's living room as the telephone is now.

The agricultural worker can hardly regard himself any longer as a live man who is not "up" on the latest radio developments. Whatever helps disseminate facts to people at large is a boost to better living.

You can get radio information from this Bureau.

FROM SOUTH DAKOTA we receive a mimeographed monthly summary headed "Notes on South Dakota Farm Production Costs, Prices, and Economic Problems." This is the work of Professor M. R. Benedict. It is full of information that might help a man to keep his farm production in line with economic conditions. There are other States where farm leaders would be glad to have a summary of this kind sent out every month from the State College.

WHOLE MILK PRODUCTION INCREASED LAST YEAR though values went down. (Estimates of Department of Agriculture):

	Whole Milk Sales & Farm Consumption (Millions of gallons)	Av. Price per gallon	Total Value
1919	6,113	29.24	\$1,787
1920	6,101	30.10	1,836
1921	7,118	22.19	1,579

RESULTS WILL SHORTLY BE PUBLISHED from the following important projects in this Office:

Cost of Potato Production in seven leading producing areas. Will show trend of production, costs, profits from 1913 to present.

Cost of Producing Apples in the Shenandoah Valley, Va., a study covering 5 years. Preliminary report ready soon.

General Farm Business Survey in Citrus Fruit area in Florida, covering 5 years. Preliminary report nearly ready.

Similar survey in truck crop area in Florida. Also a 5 year study. Preliminary report soon.

Study of Land Values in Kentucky. This is a significant picture of the rise, flourishing, collapse, and aftermath of a land boom. Shows the trend of land values and tenure through the war period. Kentucky bulletin ready probably in near future.

TREND OF FARM EQUIPMENT PRICES is indicated in the following figures. These are the country-wide average of prices actually paid by farmers in February, as reported to the Bureau of Crop Estimates; figure given to nearest dollar:

	<u>1914</u>	<u>1918</u>	<u>1921</u>	<u>1922</u>
Plow	\$ 12	\$ 20	\$ 24	\$ 19
Double wagen	73	120	162	132
Manure spreader	107	169	174	160
Mower	46	79	93	79
Hay rake	--	--	55	45
Harrow	--	--	29	22
Cream separator	59	87	104	86
Single harness	15	24	34	26

TREND OF FERTILIZER PRICES (same source as above):

	<u>1914</u>	<u>1918</u>	<u>1921</u>	<u>1922</u>
Mixed fertilizer, per ton	\$ 23.	\$ 39.	\$ 41.	\$ 33.
Acid phosphate, " "	--	--	24.	19.
Lime, per barrel	1.36	2.30	3.39	2.82

THE TREND OF FREIGHT RATES has played no little part in agricultural production the past five years. We have inquiries from time to time as to what the actual changes in rates have been. It is expected that the forthcoming part of the Report of the Joint Commission of Agricultural Inquiry will deal exhaustively with the relations of transportation to agriculture.

Following herewith are some rates on a few representative farm products between certain points which show the trend from 1913 to date. These have been supplied by the Interstate Commerce Commission:

WHEAT				
Kansas City to New York, N. Y.	Rates in cents per 100 lbs.			
	DOMESTIC		EXPORT	
	LOCAL	PROPORTIONAL	LOCAL	PROPORTIONAL
Jan. 1, 1913	30.75	28	27.75	25
Jan. 20, 1915	31.55	28.8	28.45	25.7
March 31, 1918	34.25	31.5	32.75	30
June 25, 1918	43	39.5	41.5	38
Dec. 1, 1919	44.5	39.5	43	38
Aug. 26, 1920	61.5	55	60	53.5
Dec. 6, 1920	62	55	60.5	53.5
May 15, 1921	62	55	59.5	52.5
July 1, 1921	62	55	56.5	49.5
Sept. 3, 1921	62	55	49	42
Sept. 28, 1921	57.5	50.5	49	42
Jan. 2, 1922	54	54	40	40
to date.				

WHEAT				
Chicago, Ill. to New York, N. Y.	Rates in cents per 100 lbs.			
	DOMESTIC		EXPORT	
	LOCAL	RESHIPPING	LOCAL	RESHIPPING
Jan. 1, 1913	20.5	16	17.5	13
Jan. 8, 1914	21	16	18	13
Jan. 20, 1915	21.8	16.8	18.7	13.7
March 25, 1918	24.5	19.5	23	18
June 25, 1918	30.5	24.5	29	23
Dec. 31, 1919	31	24.5	29.5	23
Aug. 26, 1920	43.5	34.5	42	33
July 1, 1921	43.5	34.5	39	30
Sept. 3, 1921	43.5	34.5	31.5	22.5
Sept. 28, 1921	39	30	31.5	22.5
Jan. 1, 1922	38	30	30.5	22.5
to date.				

Freight Rates (Continued)

HAY		
Buffalo, N. Y.	Rates in cents per 100 lbs.	
to	Domestic	Export
Boston, Mass.	FIFTH CLASS	FIFTH CLASS
January 1, 1913	18.5	16
February 23, 1915	19.4	16.9
August 1, 1917	22	19.5
June 25, 1918	27.5	24.5
December 31, 1919	27.5	----
August 26, 1920	38.5	35
January 1, 1922	34.5	31.5
Present 4/13/22	34.5	32.5

COTTON				
Memphis, Tenn.	DOMESTIC		EXPORT	
to				
New York, N. Y.	LOCAL	PROPORTIONAL	LOCAL	PROPORTIONAL
Effective date.				
Jan. 1, 1913	52 $\frac{1}{2}$		b 52 $\frac{1}{2}$	
	c 42 $\frac{1}{2}$	38	bc 42 $\frac{1}{2}$	b 38
	a 42 $\frac{1}{2}$	a 38	ab 42 $\frac{1}{2}$	ab 38
Dec. 5, 1914	52 $\frac{1}{2}$	38	b 52 $\frac{1}{2}$	b 38
	c 42 $\frac{1}{2}$	a 38	bc 42 $\frac{1}{2}$	ab 38
Oct. 15, 1915	54.1	38	b 54.1	b 38
	c 44.1	a 38	bc 44.1	ab 38
Feb. 5, 1917		b 39 $\frac{1}{2}$		b 39 $\frac{1}{2}$
June 25, 1918	69.1	54 $\frac{1}{2}$	b 69.1	b 54 $\frac{1}{2}$
	c 59.1	a 53	bc 59.1	ab 53
Sept. 25, 1919	d 79	d 59	d 79	d 59
Aug. 26, 1920	d 105 $\frac{1}{2}$	d 78 $\frac{1}{2}$	d 105 $\frac{1}{2}$	d 78 $\frac{1}{2}$
Jan. 10, 1921	d 105 $\frac{1}{2}$	d 78 $\frac{1}{2}$	d 105 $\frac{1}{2}$	d 78 $\frac{1}{2}$
to date.				

(Uncompressed with privilege to carrier of compressing unless otherwise noted)

- (a) Applies only on cotton in cylindrical bales.
- (b) Rate includes delivery to shipside.
- (c) Rate applies on compressed cotton, compressed at shipper's risk and expense.
- (d) Rate applies on cotton in bales, compressed, or uncompressed with privilege to carrier of compressing.

THE TREND OF COUNTRY POPULATION during twenty years is shown in the following table. "Country" population is a tabulation made from each census by this Office, and represents all persons living outside incorporated places. (The census figure for "Rural" population differs in that it includes persons outside incorporated places of 2500 or more.)

In a word, this table shows increases in the South and Far West, and decreases generally through the East and Central West.

COUNTRY POPULATION

(All Population Outside of Incorporated Places)

<u>DIVISION OR STATE</u>	<u>1920</u>	<u>1910</u>	<u>1900</u>
UNITED STATES	42,519,685	41,635,329	39,308,474
NEW ENGLAND	1,443,758	1,475,476	1,459,706
Maine	450,337	461,456	441,342
New Hampshire	159,052	174,133	185,319
Vermont	188,324	212,104	231,667
Massachusetts	202,106	241,049	238,248
Rhode Island	15,217	17,956	20,909
Connecticut	433,722	368,778	342,221
MIDDLE ATLANTIC	4,509,210	4,507,961	4,387,133
New York	1,454,195	1,575,826	1,625,057
New Jersey	522,243	479,652	447,955
Pennsylvania	2,532,772	2,452,483	2,314,121
EAST NORTH CENTRAL	6,479,349	6,682,155	7,036,220
Ohio	1,612,259	1,649,948	1,741,446
Indiana	1,165,279	1,257,584	1,389,779
Illinois	1,443,045	1,486,160	1,598,385
Michigan	1,139,556	1,197,174	1,207,120
Wisconsin	1,119,210	1,091,289	1,099,490
WEST NORTH CENTRAL	5,740,496	5,902,960	5,909,290
Minnesota	966,354	899,248	890,490
Iowa	1,052,670	1,106,002	1,258,675
Missouri	1,424,108	1,535,719	1,669,233
North Dakota	432,480	415,800	247,998
South Dakota	389,601	389,536	294,893
Nebraska	612,093	638,070	624,643
Kansas	863,190	918,585	923,358

COUNTRY POPULATION (Continued)

(All Population Outside of Incorporated Places)

<u>DIVISION OR STATE</u>	<u>1920</u>	<u>1910</u>	<u>1900</u>
SOUTH ATLANTIC	8,463,554	8,038,306	7,479,652
Delaware	70,138	76,210	74,686
Maryland	511,122	568,271	540,171
Virginia	1,508,244	1,472,109	1,429,414
West Virginia	962,797	860,479	753,099
North Carolina	1,823,666	1,669,331	1,558,721
South Carolina	1,234,687	1,161,208	1,079,278
Georgia	1,838,492	1,784,668	1,676,269
Florida	484,408	446,030	368,014
EAST SOUTH CENTRAL	6,204,355	6,177,980	5,962,179
Kentucky	1,583,070	1,645,391	1,511,947
Tennessee	1,593,310	1,609,804	1,619,893
Alabama	1,651,691	1,603,151	1,506,573
Mississippi	1,376,284	1,419,434	1,323,766
WEST SOUTH CENTRAL	6,307,891	6,055,620	5,051,968
Arkansas	1,265,000	1,197,004	1,086,789
Louisiana	1,048,278	1,050,070	949,364
Oklahoma	1,202,759	1,106,413	648,072
Texas	2,791,854	2,702,133	2,367,743
MOUNTAIN	1,655,188	1,348,222	927,222
Montana	307,254	207,447	143,070
Idaho	234,469	196,815	126,351
Wyoming	91,263	79,359	53,149
Colorado	373,868	297,427	202,889
New Mexico	264,877	263,117	162,914
Arizona	208,714	124,688	94,587
Utah	132,990	119,773	111,529
Nevada	41,753	59,596	32,733
PACIFIC	1,710,884	1,446,649	1,095,104
Washington	494,483	415,928	248,604
Oregon	293,355	275,963	229,894
California	923,046	754,758	616,606

PROGRESS IN FARM MANAGEMENT EXTENSION WORK

H. M. Dixon
In Charge Farm Management Demonstrations

I have been interested during the past few months in reviewing the progress in farm management extension work. Looking back to the beginning of the work in 1913, and realizing that at that time there was only a very small amount of research results available in most States, we find that the first undertaking was that of the analysis of the business of a large number of farms in different areas of the States by the survey method. In all, there have been over 55,000 individual farm analyses made and the farm management extension forces are responsible for nearly 25,000 of these. This work had a far-reaching effect in better determining the place of the farm management work in a well-balanced extension program, in giving a more proper conception of what the financial side of farming is like and of better establishing in many areas the broad principles upon which successful farming is based.

But with all these results the early work was only one link in the chain. It was found through this early work that many farmers were interested in a better method of keeping their farm accounts and to meet this need the Farm Management Demonstrators prepared and made available to the farmers at a nominal cost a farm account book, simple and understandable in the make-up, yet complete enough to enable the farmer to summarize his account and locate the strong and weak points in his business. This phase of the work has now been in progress for a sufficient time to note marked results in many States. While prior to this there were from 10 to 15% of the farmers keeping some form of an account of their business, there was no uniformity in method and therefore little or no possibility of obtaining comparable results.

Since the Extension Departments of the State Agricultural Colleges have made it possible for farmers to obtain an account book, there are now many thousands using this book and are summarizing and interpreting their accounts in a comparable style instead of each farmer having a different type of account book or a different method of keeping his business transactions.

This improvement in accounting methods is bringing about a far better understanding of the uses and values of farm business data and is widening the interest and demand from farmers for results of research along economic lines.

The demand in farm management extension this past winter has been in assisting farmers in how to keep and summarize their farm business transactions and how to adjust their business in the light of the available economic facts. This is a large undertaking and in extending the work the methods must be such that the farmer can obtain and understand the factors and principles that will enable him to improve his business.

This brief review of the work indicates, I believe, that results are obtained through the accumulation process. The trend of this work is toward the adjustment of practical methods of extension that will enable an increasing number of farmers to better profit by results obtained through the more universal analysis of their individual farm accounts.

SOME NOTES ON THE POTATO SITUATION

Uncle Sam grows the bulk of his potatoes in the half-dozen States that fringe the great St. Lawrence Basin. The bulk of them are eaten in the same general neighborhood also - that being where the folks are thickest.

Uncle S. generally plans every year to raise about 4 bushels for each member of his family. He doesn't go in for potatoes as Europe does. Germany, for instance, used to figure on something like 25 bushels per head, and France about half that amount. They use potatoes in several industrial ways, and feed considerable to livestock. But on this side of the Atlantic we eat our potatoes. The fact that we only want about so many every year to eat cuts quite a good deal of figure in the whole situation. Demand not being quite so elastic as the weather, the price goes up and down from year to year like a mercury in March.

LAST YEAR'S CROP

For ten years back we have grown an average of 3,836,000 acres and a crop thereon of 366,027,000 bushels each year.

Last year we had 3,815,000 acres, and 346,823,000 bushels.

In other words, last year we had about an average total acreage, but the crop was rather light. What evidently did happen was that while the total crop of the country was not large, yet the half-dozen great surplus States had good crops and about as many potatoes to sell as usual.

MOVEMENT OF THE CROP

Farmers moved a good share of their saleable potatoes last fall. About 80% of the surplus crop left the farms before March 1, 1922. Some men naturally thought last fall a good season to store potatoes since all the crop reports indicated a rather short crop. Ordinarily, if the crop is 7% or more below normal, prices advance from fall to spring, (and if 7% or more above normal, prices usually are lower in spring.)

However, farmers had freshly in mind the tremendous surplus of 1920, and the 25¢ potatoes a year ago this spring. Moreover, everybody needed money, and this was the first ready money that had been visible for some time in many sections. It is not surprising that the average grower saw his potatoes go last November or December at from \$1.00 to \$1.50 and called it better than storing them. As it turned out, the men who sold early were the lucky ones.

The March 1 estimate of the Department showed 73,486,000 bushels held by farmers and 17,460,000 bushels by local dealers. It was estimated that the farmers had on that date about 31,000,000 bushels yet to sell (or 20% of their total surplus production.)

FREIGHT RATES

Something of the handicap outlying regions are under by reason of high freight rates is indicated in the following figures. Potatoes are a bulky crop. Other things being equal, they pay best grown reasonably close to the folks who eat them. High transportation costs accen-

tuate this point.

Freight rates on potatoes between representative points are given herewith. These are the rates of last fall on which much of the crop moved. A comparison with the 1913 rates is also shown:

Rates in Cents per 100 lbs.

<u>From</u>	<u>To</u>	<u>1913</u>	<u>1921</u>
Bangor, Me.	New York City	26¢	52 $\frac{1}{2}$ ¢
Grand Rapids, Mich.	"	29	58
St. Paul, Minn.	Chicago	17	29
Denver, Colo.	"	45	76 $\frac{1}{2}$
New Orleans	"	40	78 $\frac{1}{2}$

PRICES

Potatoes have not gone to the high prices this spring that were scheduled by some prophets. It is possible that the crop was somewhat underestimated. It is probable that most of us did not make allowance enough for the actual saleable crop in the surplus States - this being the portion that largely determines prices, just as the surplus wheat we export largely governs our domestic wheat prices. It may also be that the industrial cities have not eaten quite as many potatoes this past winter as some years.

Potatoes are now relatively higher in price than most of the crops that compete with them for land and labor. Relative prices on April 1 (compared with same date in pre-war years 1910-14) were as follows:

Potatoes	167
Beans	167
Cabbage	161
Wheat	132
Buckwheat	128
Hay	102
Corn	92

From which may be drawn one indication of why farmers are still planting potatoes this spring, in spite of the fact that potato prices are generally not as high as they were last fall.

THE OUTLOOK

The South has planted more potatoes this spring than last. This does not particularly affect the main crop, but is an indicator of how farmers feel about conditions.

Reports from New York State indicated recent intentions on the part of farmers to increase the acreage around 10% above last year.

Men who have been in Maine within the month say that while farmers in Aroostook County are not feeling very good about prices this spring, still a normal planting is probable.

Casual reports from the Lake States generally indicate that the acreage will tend to increase a trifle over last year, rather than otherwise.

Of course, it has so far been too early to get an accurate line on plans of farmers. A good many things can happen to affect planting a little one way or the other right up to the time the ground is fitted.

It is a safe bet, however, that Uncle Sam will go right along planning on upwards of 4 bushels apiece for his family. I will hazard the personal guess that he is planning, on the whole, to do a fairly careful job putting in the crop this spring, even though fertilizer prices are still rather high. It would seem that good farm management would dictate a policy of "normalcy." There is nothing about the situation as it stands to justify trying to speculate on either side of the fence. But after the potatoes are planted and the farmer has done what he intends in the matter - after all that part, the weather will step in and play a final hand. Acreage is one thing. The crop next fall will be another. After the usual number of potatoes are in the ground, then let us keep an eye on the crop statistics.

A. B. Genung
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